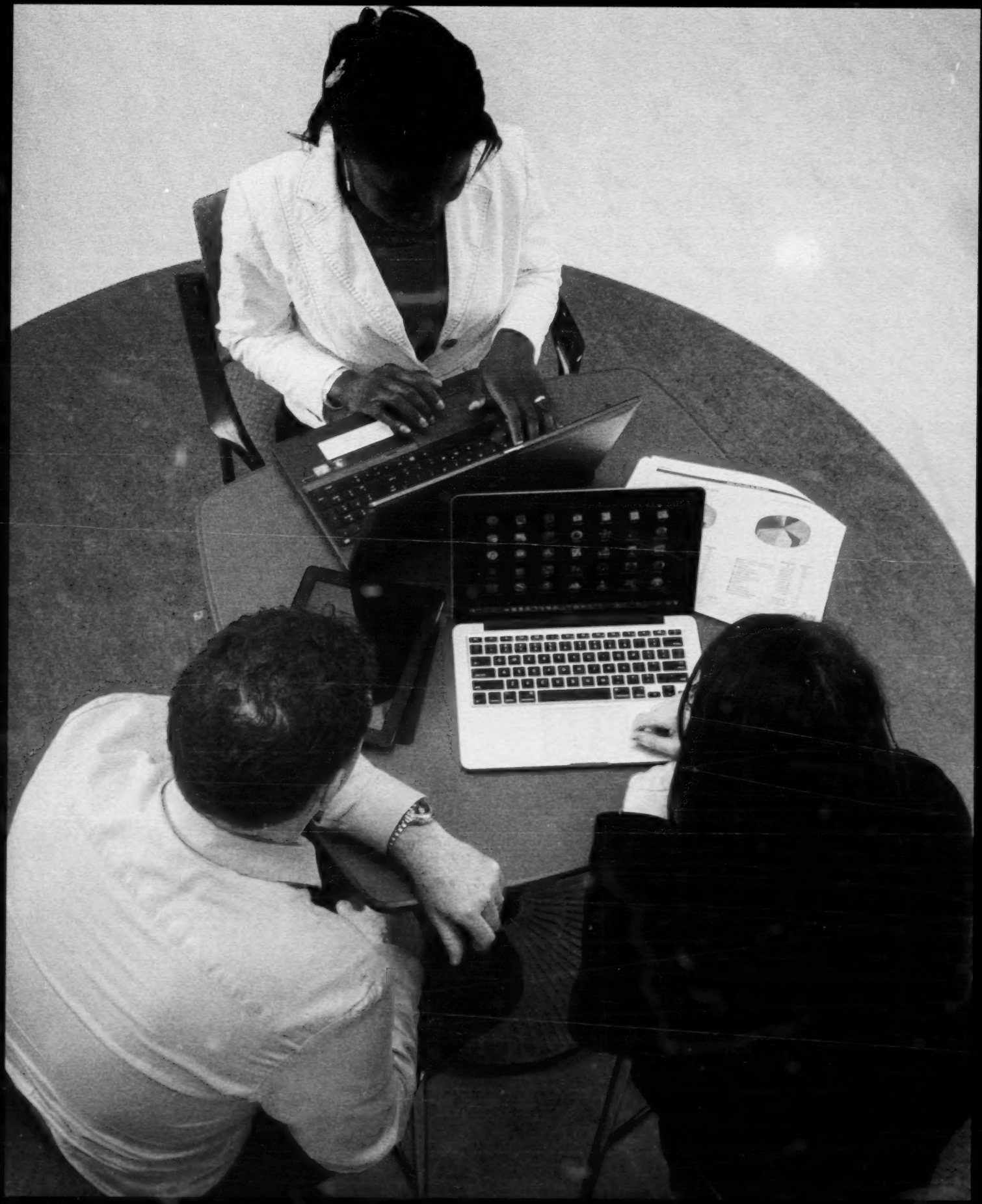
Annual Report

Joint Office of Regulatory Affairs and Service Effectiveness

2015-2016

Prince Edward Island

CANADA



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Executive Summary
It's Time: Regulatory Reform and Modernization Highlights

March 2015	• Memorandum of Understanding signed between Nova Scotia and New Brunswick to create the Joint Office of Regulatory Affairs and Service Effectiveness
August 2015	• Joint Office is preliminarily staffed
November 2015	Maritime Premiers' Plan of Action announced: • Prince Edward Island joins the Joint Office • Adoption of Charter of Governing Principles for Regulation • Commitment to mirror legislation • Commitment to common measure for regulatory burden • Immediate actions: o Aligning the timing of changes to minimum wage o Aligning record-keeping requirements o Moving to common documents for procurement
December 2015	• *Regulatory Accountability and Reporting Act* introduced in New Brunswick and Nova Scotia, and passed in Nova Scotia
April 2016	• Minimum wage aligned in New Brunswick and Nova Scotia on April 1st; PEI to align in 2017 • *Regulatory Accountability and Reporting Act* introduced in Prince Edward Island • Legislation to align record-keeping requirements introduced in 3 Maritime provinces
May 2016	Council of Atlantic Premiers announce: • All Atlantic provinces will adopt Canada Revenue Agency's One Business Number to simplify business registration with The Worker's Compensation Board • Mutual recognition in specific areas of Occupational Health and Safety • Standardize a Carrier Profile for the regional transportation industry
June 2016	• *Regulatory Accountability and Reporting Act* passes in New Brunswick and Prince Edward Island • Joint Office publishes first Annual Reports

Cost savings associated with reduction of regulatory burden

- $730,000 – first-year savings for three initiatives, representing only a fraction of the work that's been done throughout the year
  - $420,000 – aligning record-keeping requirements
  - $288,000 – moving apprenticeship forms online
  - $21,000 – aligning the timing of changes to the minimum wage

A Message from Premier MacLauchlan

Establishing Prince Edward Island an ideal place to do business is essential to the future economic prosperity of the province and a focus for this government. For Prince Edward Island to maintain its competitive edge we must increase productivity and foster innovation. Further, we must constantly strive to improve business conditions, support growth, and look to reduce red tape.

The Government of Prince Edward Island has made reducing red tape a priority and as such, I am pleased to present an overview of our efforts to eliminate duplication, streamline government services and improve business-to-government relationships. Through departmental initiatives such as Project ART, and as result of interprovincial efforts such as the Red Tape Reduction Partnership, and becoming an equal partner of the Joint Office of Regulatory Affairs and Service Effectiveness, our province has made great strides in eradicating red tape.

In an effort to allow the province's businesses to thrive, these initiatives not only target specific irritants to businesses, but examine systemic barriers that unnecessarily frustrate and burden with additional delays, costs, and bureaucracy.

Collaboration has been essential for the success of these initiatives. I would like to commend the significant level of engagement taken by government, business owners, and other stakeholders.

My hope is that government will continue to support our business community by providing a simple, streamlined, regulatory environment for Islanders, will look at further removing barriers to business, and will assist in keeping Prince Edward Island's economy diverse, strong, and growing.

Wade MacLauchlan

Hon. Wade MacLauchlan
Premier of Prince Edward Island

The Need

Regulation is a necessary part of any society, including Atlantic Canada's. Regulation sets the rules of the game, and frees legislatures from endless concern over the details of everyday practices, standards and codes. Well-designed regulation has benefits that match the costs. Judiciously applied, regulation contributes to our quality of life and capacity to do business and earn our livings.

And clearly, regulation is also costly. Costly to develop, costly to administer, and costly to comply with. When regulations are numerous and complex, onerous and overlapping, they shift from enabling everyday business to becoming sand in the gears of it, a growth-inhibiting tax on our everyday activities, with few or no detectible benefits.

This matters a lot to small jurisdictions, like Atlantic Canada's provinces.

In a small jurisdiction, the costs of developing and administering regulation are spread across a small number of businesses and transactions. The burden, as a share of trade, is higher than otherwise.

Regulation that makes it difficult to do business across provincial borders is especially costly. It limits local businesses' abilities to build scale, to build the launching pad they need to compete effectively in offshore markets, or even to compete effectively at home.

What makes regulation even more costly for the Atlantic Provinces is its potential effects on long term growth. Economic growth in a jurisdiction, other things being equal, depends on population growth and productivity growth – the value of output per worker.

Here, our fertility rates are low, the median age is high, and net immigration is rarely high enough to keep the population stable, much less young.

Growth in our aggregate provincial incomes will not depend on population growth, it will depend on a rising value of output per worker, or rising productivity. These factors, together with our size, make addressing regulatory costs even more important than it might be elsewhere or at other times.

This is a short way of saying that future growth in Atlantic Canada depends on more than the health of markets elsewhere. It depends on our ability to compete successfully in those markets, and at home.

Key to that success is our ability to keep regulatory sands out of the gears of trade and commerce. And that makes the work of the Joint Office of Regulatory Affairs and Service Effectiveness, aimed at reducing regulatory complexity, regulatory overlap and overload, so important to all of us.

Finn Poschmann

President and CEO

Atlantic Provinces Economic Council

Business knows few borders these days, but governments, and their policies, programs and regulations, are defined by borders. Thus, the welcome potential of the co-operative regulatory initiative by the governments of Nova Scotia, New Brunswick and Prince Edward Island. The more that it is able to harmonize regulations and simplify regulations among the maritime provinces, the payoff to business productivity and efficiency will be significant. We should all wish it to be ambitious in its plans for integrated business regulations and support its intent and efforts.

Hon. Kevin Lynch

Vice-Chair, BMO Financial Group

Former Clerk of the Privy Council, Secretary to the Cabinet and Head of the Public Service of Canada.

The Work

Work by the Joint Office

It was just over one year ago when the governments of Nova Scotia and New Brunswick signed a Memorandum of Understanding establishing the Joint Office of Regulatory Affairs and Service Effectiveness. Its purpose: to reform and modernize the regulatory environment to help make the region Canada's most streamlined and competitive for business start-up, growth and expansion. Prince Edward Island joined the MOU, shortly after, in November, 2015.

The **Maritime Premiers' Action Plan for Regulatory Reform was** announced in November 2015, by the Premiers of Nova Scotia, New Brunswick and Prince Edward Island. The plan laid the groundwork for expanded and ongoing collaboration. It also contained immediate actions. Here's an overview of what was announced:

1. Joint Office Expands to include Prince Edward Island

Prince Edward Island became a full partner in the Joint Office and its reform initiatives, making the initiative truly a Maritime initiative.

2. Premiers Adopt of Charter of Governing Principles for Regulation

The three Premiers adopted a common *Charter of Governing Principles for Regulation*. Leading jurisdictions in regulatory reform, nationally and internationally, adopt clear and straightforward principles to guide regulators on when and how to regulate and, as importantly, when not to regulate. Before their adoption, none of the three Maritime Provinces had such a code.

The core themes of the Charter are:

- Regulation should be a public policy tool of last, not first, resort.
- Government should favour non-regulatory options like education, voluntary compliance, and incentives if they can do the job.
- If regulation is enacted, it should be in the lightest form possible, and based on analysis of the costs and benefits to business and government, as well as its overall economic impact.
- The process of making regulations should be transparent, evidence-based and consultative with affected parties.

Regulatory Accountability and Reporting Act:
An Overview

Here's an overview of the contents of the *Regulatory Accountability and Reporting Act:*

- Refers to the Charter of Governing Principles for Regulation
- Establishes the Joint Office
- Requires the Joint Office to produce an Annual Report by June 30th to
    - Report on the progress to reduce the regulatory burden and;
    - Outlines the goals & objectives for coming year
- Requires a review of Joint Office after 3 years to ensure Joint Office is providing value to its respective governments
- Contains a sunset clause: the Act expires after 5 years, unless the House determines it should continue

3. Mirror legislation on Regulatory Accountability and Reporting

The three Premiers committed to mirror legislation to ensure the adherence to the *Premiers' Charter of Governing Principles* for Regulation. As a result, each province has passed and proclaimed a *Regulatory Accountability and Reporting Act*. While other jurisdictions have adopted legislation, the Maritime region is the first where different jurisdictions have adopted mirror legislation. This shared vision, underscored by mirror legislation, is significant, if not unprecedented.

4. Public Accountability: Commitment to Measurement

The three Premiers committed to adopting a common model for measurement. A reliable method of measuring and tracking the costs of regulation, allows the public, government and stakeholders to determine whether government's commitment to reducing the regulatory burden is producing results and is the cornerstone to accountability. This commitment to a common approach to measurement is a first in Canada. Consequently, a regulatory assessment and costing tool is under development, and soon to be piloted, as well as approaches to measuring the cumulative burden and the impact of initiatives and efforts to reduce the overall burden.

5. Immediate Action

Procurement and Labour Standards Alignment

In addition to the foundational pieces, such as the Charter, mirror legislation and a commitment to measurement, the Action Plan outlined immediate action to align aspects of the regulatory system across the Maritimes. Action was announced in two areas:

- **Procurement:**

  Procurement spending by the three governments is a major economic lever. Each province currently has different documents and procedures for procurement, making the conduct of business in the three provinces more complex and cumbersome than necessary. The move to common procedures and documents will make it easier for businesses to operate across the three provinces. It will also make joint procurement, where the provinces combine their purchasing power, more effective and less costly for government and business. Common solicitation documents for Goods and Services will be complete by end of 2016; those for Construction Services will be complete by June 2017.

- **Labour standards:**

  Businesses across the region consistently raise the complexity with labour standards and the countless differences between provinces as a barrier to business. To acknowledge this, the three Premiers expressed a desire to harmonize, simplify and eliminate those differences to make it easier for businesses that employ people in all three provinces – or may want to. To begin this work, the Premiers made two commitments:

1) To align the record-keeping requirement for employers across the three provinces. Legislation for alignment was introduced the Spring of 2016 with implementation in January 2017. In addition to aligning the requirements, the changes improve the clarity for employers making compliance easier and are estimated to save employers $420,000 in the first year.

2) To align the dates for minimum wage changes in each Maritime province. Minimum wage changes took effect on April 1st in New Brunswick and Nova Scotia in 2016; Prince Edward Island aligns its date in 2017. Having a common date for minimum wage changes makes it easier for employers with employees in more than one province. This change is estimated to save employers $21,000 in the first year.

   This commitment dealt only with the date of minimum wage changes, the provinces maintain their own process for determining how the wage is set, as well as the rate itself.

Atlantic Red Tape Reduction Partnership

In addition to the work within the Maritime region, the Joint Office has been leading *"The Atlantic Red Tape Reduction Partnership"*. The Partnership, announced by the Council of Atlantic Premiers in 2015, has a mandate to identify business regulations and administrative processes that can be streamlined to create a more competitive economic climate across Atlantic Canada.

The partnership was a joint government and private sector partnership, with consultations led by the Canadian Federation of Independent Business (CFIB), the Atlantic Chamber of Commerce (ACC), and the Canadian Manufacturers and Exporters (CME). Based on outreach with their respective memberships and other industry and labour groups, the business community identified three specific areas in need of regional alignment. These recommendations were presented to the four Premiers and in May 2016, the Atlantic Premiers committed to take the following action:

- **Adopt the Business Number for Workers' Compensation –** The four Premiers announced that all Atlantic Provinces will adopt the Canada Revenue Agency's Business Number, and link it to workers' compensation systems. Use of the Business Number will simplify both the registration process and business interactions with all business-related programs, including WCB. Full use of the Business Number will be in place across the region by end of 2017.

- **Standardize Carrier Profiles for Transportation -** Working with stakeholders, the four Premiers agreed their provinces would assess options for standardizing the carrier profile system for the trucking sector. Increased standardization will help simplify administration and will make bidding on government work across the region easier.

- **Mutual Recognition for specific areas in Occupational Health and Safety** – The Premiers announced the four provinces will mutually recognize specific Occupational Health and Safety (OH&S) equipment and safety training standards and do so in consultation with the business community. OH&S is consistently an area the business community identifies as burdensome. It is believed that mutual recognition in specific areas will not only make it easier for businesses, but will highlight that mutual recognition is one real and relatively simple way our region can eliminate barriers.

The business community, which led the consultation process to identify these priorities, will also be involved and informed of progress on implementation.

Work by Prince Edward Island Government Departments

A common element in the Ministerial Mandate Letters issued by Premier MacLauchlan to all provincial departments, was the expectation that they continue to make every effort to reduce or eliminate barriers to economic growth, and to provide the region with an unbridled opportunity to flourish. While the Maritime Joint Office has led work on a regional level, work continues across all Prince Edward Island departments to reduce the regulatory burden for businesses and citizens. Some examples of these actions, by department, include:

Economic Development and Tourism (ED&T)

- ED&T created and is implementing Project ART (Addressing Red Tape), a five year, government-wide burden reduction strategy, designed to make it easier for business to interact with government. Currently, the Project ART Team is working on six initiatives that are referenced throughout this report.
- Government has completed three Sector Roundtables, working with the tourism, farming and small and medium business industries to address 9 irritants, to each sector's satisfaction. The Sector Rountable Annual Report was released.
- Working with the recommendations of the Tourism Industry Association of Prince Edward Island, Government has developed a new training program for all tourism inspectors to clarify the requirements for inspection and ensure consistency.
- Government has simplified the renewal paperwork for the Visitor Guide resulting in significant time savings for operators.
- Working with the recommendations of the Canadian Federation of Independent Businesses (CFIB), Government made on-line forms much easier for businesses to find with the release of our new provincial Government website. *www.princeedwardisland.ca*, launched in June, 2016.
- Government addressed the necessary functionality to offer real-time transactions for specified services and have improved specific applications to reduce burden on business owners and, as requested.
- The Governments of PEI and NS entered into a partnership with Northumberland Ferries Ltd. to provide harmonized visitor information services aboard the ferries between PEI and Nova Scotia. All visitor services staff aboard the Ferries are now trained by both provinces so they can respond to questions from visitors traveling to and from either province.
- Innovation PEI has published a service standard for their Web Presence Program, which outlines Innovation PEI's receipt of completed applications. Applicants will be advised of Innovation PEI's decision within ten (10) to twenty (20) business days.

> "The Tourism Industry Association of PEI was particularly pleased with the responsiveness of government to the issues received from tourism operators as part of the Red Tape Reduction process.
>
> The access given to the tourism compliance division for the water testing data base has saved operators a vast amount of time with the amount of effort required when endeavoring to identify their water test results.
>
> The reduction of information required on the annual forms and the new training program for inspectors has reduced the time operators previously spent on government paperwork and the new training program have both certainly been seen as positives.
>
> The Project Art initiatives on behalf of the tourism industry have delivered very practical results which supports the growth and competitiveness of the Tourism sector. The more time operators have to focus on meeting visitor expectations the more competitive we will be as an industry."
>
> Kevin Mouflier
> CEO, TIAPEI

Department of Agriculture and Fisheries

- Responding to an irritant voiced by the farming sector in a Sector Roundtable, Government has changed its process of communicating policy changes to bonafide farmers. Government will send notification of policy changes to the PEI Federation of Agriculture and the PEI Chapter of the National Farmers Union and also place the notification of changes on the Department of Agriculture and Fisheries website.
- The CFIB recognized the Honourable Alan McIsaac, Prince Edward Island Minister of Agriculture and Fisheries, as former Minister for Transportation and Infrastructure Renewal, as a progress improvement methodology runner up, for their annual Golden Scissors Award. Minister McIsaac introduced a one-time farm vehicle registration to replace annual registration.

Department of Communities, Land and Environment (CLE)

- A total of forty-three CLE departmental staff have been trained in the Lean Six Sigma practices. Since that time, Inspection Services have applied this training to their application processes.
- Government has streamlined the process for renewing the Grass Headland Variances and Exemptions and also added a webpage devoted to Grass Headlands Variances and Exemptions, so that farmers may directly access information pertaining to the permit.
- Working collaboratively with the Department of Economic Development and Tourism on an irritant raised in the Tourism Sector Roundtable, CLE addressed delays in the process of receiving water testing, resulting in faster results for operators.

Department of Justice and Public Safety (JPS)

- Government developed a PEI specific *Regulators' Code of Practice*, a corresponding training program and conducted a three month pilot. This Code outlines a set of principles and guidelines to create a consistent, accountable and transparent regulatory environment that is compliance focused, risk-based and concentrates on protecting the public interest and encouraging economic growth. It complements and builds on the existing best practices and standards of the professional conduct exercised by Government's regulatory staff. The pilot results are now being reviewed and next steps are to be determined.
- Government introduced and passed the *Common Business Identifier Act*. This Act will facilitate the streamlining of regulatory requirements applicable to business entities. Adopting this Act is also a necessary legislative first step prior to launching a new online business registry system which will, in part, facilitate the adoption of the Canada Revenue Agency's National Business Number.
- *An Act to Amend the Vital Statistics Act*, Bill No. 19, received Royal Assent on May 13, 2016, and came in to force on June 1, 2016. These amendments eliminate two barriers for individuals seeking to be recognized on their birth certificates as the gender with which they identify: the requirement for prior sex reassignment surgery, and the requirement to obtain affidavits from two physicians. These amendments also allow for family members to apply for a deceased person's birth certificate. This will assist families that do not have an executor of the estate.
- *An Act to Amend the Marriage Act*, Bill No. 7, received Royal Assent and Proclaimed into force on May 13, 2016, and now the Regulation came into force on June 11, 2016. Marriage Commissioner Licenses will be renewable annually, rather than every three years. These amendments will simplify the licensing process for marriage commissioners, accommodate individuals seeking to conduct one-time-only marriage commissioner functions, streamline the marriage license application process.

The amendments also clarify which proof of identity documents are accepted for marriage license applicants. The amendments will allow for Passports to be used (along with another form of Government issued picture ID) to obtain a marriage license. For example, tourists who want to be married on PEI may use their passports and driver's license (common documents when travelling) to obtain a marriage license.

- As of June 14th, 2016, Vital Statistics has moved from its current location on Garfield Street in Charlottetown, to the 4th floor of the Shaw Building South Entrance, in Charlottetown. This move has increased the level of service they are able to offer during the summer months and will allow for easier access to services year round.
- Government has updated the business registration process to give businesses the ability to pay business registrations and various licensing fees using a credit card in lieu of the former process of paying by cheque or cash via mail or in-person. This is a significant time saver for businesses, located in or out of province.
- Government is working with N.S. and N.B. to align Labour Standards record-keeping requirements for employers across the three provinces. Legislation for alignment was introduced in Spring, 2016, with implementation in January 2017. In addition, Government is aligning the dates for minimum wage changes in each Maritime province. PEI will move to a Maritime aligned date in 2017.

Government is working with the other Atlantic Provinces to mutually recognize specific Occupational Health and Safety (OH&S) equipment and safety training standards. This will be done in consultation with the business community.

Department of Transportation, Infrastructure and Energy (TIE)

- Government is in the middle of working with Access PEI and the Highway Safety Division on a Lean Six Sigma Continuous Improvement pilot focusing on improving the commercial vehicle registration process. This pilot will be completed by the end of September. To date, many initiatives have been identified to address twenty-three opportunities for improvements. Lean Six Sigma internal capacity will also be built seeing a total of four individuals earning their yellow belts and two individuals earning their green belts.
- Government streamlined a service that will see a No Expiry - One Time Only Registration for Farm plated Trucks, Truck Tractors and Trailers.
- The Atlantic Provinces tendered together for joint procurement of Ignition Interlock services, reducing costs and in addition to the City of Charlottetown, Government opened an additional service outlet in the Town of Summerside for better client service.
- The department hired a full time Mandarin speaking staff person and part time Arabic speaking staff person employed at Highway Safety Division to improve our service standards for Islanders.
- Government is working with N.S. and N.B. to adopt common procurement procedures and documents for Construction Services. This will make it easier for businesses to operate across the three provinces. It is scheduled to be completed by June 2017.
- Working with Atlantic stakeholders and the other three Atlantic Provinces, Government has agreed to collaboratively assess options for standardizing the carrier profile system for the trucking sector. Increased standardization will help simplify administration and will make bidding on government work across the region easier.

Department of Finance

- Government has updated the Marked Gasoline and/or the Marked Diesel Oil permit and the Status as a Bona Fide Farmer application which will eliminate the demand, on the farmer, to submit their income tax documentation, which was originally required.
- The PEI Liquor Control Commission has eliminated the Winery Annual Production Capacity regulation. The Micro Brewery "Free-Standing" Premises regulation has been eliminated and with this elimination, it allows for fairness and consistency when dealing with wineries, distilleries and micro-breweries.

"Government and the PEI Liquor Control Commission have worked closely with our association to understand and address the needs of this important industry. Their action will reduce red tape and barriers for small business operators making it easier to serve our customers. This is a model that should be replicated to maximize the effectiveness of regulatory changes."

Luc Erjavec

Vice-President, Atlantic
Restaurants Canada

- The PEI Liquor Control Commission (PEILCC) has made the Liquor License application and the Personal History Report forms fillable online via the PEILCC website. This will save the applicants significant time. The Liquor License Approval process has also been streamlined to allow designated PEILCC officials to issue approvals and thereby streamlining the amount of time required to get approval. The PEILCC has also published a service standard for this process on their website.
- As mentioned, Government is working to move to common procurement procedures and documents will make it easier for businesses to operate across the three provinces. It will also make joint procurement, where the provinces combine their purchasing power, more effective and less costly for government and business.
- A total of four departmental staff have been trained in Lean Six Sigma Progress Improvment Methodologies and will achieve their Yellow Belts with the completion of corresponding projects, adding to Government's Lean Six Sigma capacity.
- The Government of PEI launched a new website on June 14th, 2016. The new site makes it easier for Islanders to find information and to do more business with government. It is a client-centred web and mobile service platform that responds to how Islanders want to access government information and services today. In addition to new online services, the site offers down loadable open data. With, at minimum, one dataset for each Department, as well as PEI's Open Government Licence, Data Standards and Principles.

"An important part of running a business is filling out government paperwork but it isn't always easy to know where to find the forms that you need. By moving important business services to an easy-to-find place right on government's new homepage, local businesses can spend less time looking for the information and forms that they need."

Erin McGrath-Gaudet
Director, PEI & Intergovernmental Policy
Canadian Federation of Independent Business

Department of Health and Wellness

- Food premise operators now have the option of paying for their food premise license/renewal on-line. The website is www.princeedwardisland.ca/en/service/operate-food-premises-licence-online-application.
- Publication of *Opening a new Food Establishment on PEI*, a document available on Governments food premise program page at www.princeedwardisland.ca.

Executive Council

- Government has previously printed and hung Orders in Council (OiC's) on the wall outside the Clerk's office to ensure the public has access to review the OiCs each week. These have been made more readily available by posting on the government website at www.gov.pe.ca/ordersincouncil/index.php3
- Government encourages public participation and transparency and in response, has established Engage PEI, encouraging knowledgeable, hard-working Islanders to serve as members of agencies, boards, and commissions (ABCs). A website has been set up to provide islanders with all the information they needed to select and apply to an ABC. More information can be found at www.gov.pe.ca/engagepei/

Legislative Assembly

- The Legislative Assembly introduced the Paper-Light Initiative in 2015. During a ten day legislative session of the 2014/15 Fall sitting, an average of 25,000 pieces of paper were used. Much was used once and discarded. By implementing technology and hosting documents online, half of the paper used was saved. In the Spring sitting of the Legislature, 1,235 pages were used per day versus 2,500 pages per day.

Department of Family and Human Services

- Government redesigned the criteria, policy and processes of the PEI Home Renovation Program to ensure it is accessible to more Islanders in a more streamlined, reduced administration manner. Applications are prioritized on a "lowest income served first basis" as opposed to the previous "first-come, first-serve" method that resulted in long line-ups for applicants. Less documentation and fewer steps are required making it easier to complete, minimizing documents applicants need to provide and reducing the time to finish a project from application date to final payment for work completed.
- The new government webpage, allowed for the ability to accept on-line applications for both the Seniors Housing Program and the Family Housing Program.

Department of Education, Early Learning and Culture

- Government has published the student enrolment data from 1999 to 2015 online as part of the open data initiative. Education, Early Learning and Culture's (EELC) open datasets can be found here: www.princeedwardisland.ca/en/service/official-pei-school-enrollment-1999-2015-open-data and here: www.princeedwardisland.ca/en/service/official-school-enrollment-grade-1999-2015-open-data

Future Work

The future work of the Joint Office will continue in two streams: 1) putting in place systems and processes to support compliance with the *Regulatory Accountability and Reporting Act*, which includes adherence to the Charter of Governing Principles for Regulation, as well as service effectiveness and 2) an ambitious agenda for regional alignment in areas with maximum economic benefit.

The following is an overview of our future work in these areas.

Making the Charter real – and giving it 'teeth'

In the upcoming year, the Joint Office will give life to the Charter by ensuring and supporting regional government departments and agencies in following the requirements for regulatory development as reflected in the principles outlined in the Premiers' Charter. All proposals for new or amended regulations with business impacts will be required to assess the proposal against the Charter of Principles, including the anticipated benefits against the anticipated costs to business.

Future Regional Initiatives

The following are, directionally, the areas the Joint Office has set its sights on. Future priorities will ultimately be determined on the basis of evidence and stakeholder support.

- **Internal Trade**

  Central to the mandate of the Joint Office is helping small and medium-sized businesses in each Maritime province have unfettered access to the full Maritime market of 1.8 million consumers. Businesses and public agencies have outlined that numerous inter-provincial barriers, many arising out of unnecessary regulatory differences among the three provinces, stand in the way of free access. Getting easier access to the larger Maritime market is essential to allowing businesses to build the scale needed to compete successfully in much larger national and international markets.

  To determine the most significant barriers, the Joint Office is undertaking research to examine trade flows by industry sector with the region, as well as barriers to trade to identify opportunities for enhancing cross-border Maritime trade.

- **Measurement**

  Measuring and tracking the costs of regulation is a cornerstone to accountability. It allows the public, government and stakeholders to determine whether government's commitment to reducing the regulatory burden is producing results. With the Premiers' commitment to measurement, the Joint Office has been developing a Regulatory Assessment and Costing Tool. The tool will support policy-makers in assessing the impact of regulation on both government and business. The assessment and costing tool will include an estimate of the compliance costs for business and administrative costs to government for regulatory proposals, support risk analysis, and will require the consideration of business input, as well as the broader impact to the economy.

  To determine if what we are doing is making a difference to business, we must understand the cumulative impacts of regulatory requirements and assess the impact of initiatives that aim to reduce

regulatory burden. To support this understanding and assessment, the Joint Office will develop measures and targets in key areas, such as compliance costs for business and regulatory service and predictability.

Specific performance measures and targets will be developed and published later in 2016, following the implementation of the tool, and based on feedback from stakeholders.

- **Service Effectiveness**

  A significant part of what is perceived by business as undue regulatory burden is comprised of, or made worse by, unsatisfactory service experiences. While there are certainly examples of service excellence within government, the Joint Office has coordinated qualitative and quantitative research that points to government service as a source of burden and frustration.

  To better understand the opportunities for the Joint Office in the area of service, the Joint Office will conduct market research with start-ups, new businesses and existing small- and medium-sized businesses to better understand businesses' experiences and the perceptions of government service in support of regulation. This will complement insight provided through the extensive stakeholder network of the Joint Office.

  Based on the input, we will develop a service program as one means to address and reduce the regulatory burden. The completion dates for a first draft of a service plan is early Fall 2016.

  In keeping with all of our work, the Joint Office will measure and report the effectiveness of service improvements over time to ensure we are delivering what businesses need to thrive and grow and to track these efforts as it relates to a reduction in the regulatory burden.

Our Partners: The Business Community

The Joint Office was created in response to calls from the business community, that overly burdensome, complex and costly regulation prohibits business growth. It was also created because governments understand there is a significant opportunity to utilize regulatory reform and modernization as a lever for growth.

The Joint Office has had three formal group meetings with stakeholders in December 2015, March 2016 and in June 2016. We believe the report is as much the business community's report as the Joint Office's – given the amount of time, effort, insight and support that has been provided.

The list of groups the Joint Office has worked with, and has sought input and guidance from includes:

- Canadian Federation of Independent Business
- Restaurants Canada (Atlantic Canada Chapter)
- Canadian Manufacturers and Exporters
- Atlantic Chamber of Commerce (Charlottetown, Bathurst, Fredericton, Halifax, Miramichi, Moncton, Pictou County, Strait Area, Truro)
- Construction Associations of New Brunswick and Nova Scotia
- The Insurance Bureau of Canada
- The Atlantic Convenience Store Association
- Atlantic Provinces Trucking Association
- Maritimes Energy Association
- Atlantic Provinces Economic Council
- Retail Council of Canada
- Federation of Agriculture - PEI and NS
- National Farmers Union – New Brunswick & PEI
- Agricultural Alliance of New Brunswick
- Tourism Industry Associations of New Brunswick, NS and PEI
- Office of Employer Advisor of Nova Scotia
- Mining Association of Nova Scotia
- Canadian Fuels Association
- Bay of Fundy Business Council
- Young Presidents Organization
- SPARK NB

Without the input, insight, guidance and support of these business and industry groups, along with Maritimers who own and run businesses of all sizes, the Joint Office would not have made the progress it has. The Joint Office is committed to maintaining a business-centric perspective to ensure our work is supported by the business community, along with being both meaningful and impactful.

Appendix A: Reducing the Burden – Costs and Benefits

The examples below showcase the administrative cost savings to business that are expected to result from recent burden reduction initiatives in the Maritime provinces. They also provide an example of how the Joint Office will quantify anticipated cost savings going forward.

Burden reduction initiatives will be assessed through a rigorous process to ensure that they will result in real savings to business. Additional opportunities for burden reduction will continue to be explored and implemented, and the resulting anticipated cost savings to business will be measured and reported on in future years.

Aligning Timing of Minimum Wage Changes - Costs and Benefits

Summary of Action

- The three Maritime Premiers committed to align the date of minimum wage changes to make it simpler for businesses with staff in more than one Maritime province.
- In the past, minimum wage would change on different dates in the three provinces. For example, there were 19 changes to the minimum wage from 2010 to 2015 in the Maritime region; dates businesses would need to track.
- In future years, the wage will change once per year – on the same date – across the Maritime Provinces.
- The commitment does not align the minimum wage rate nor does it align the process by which the minimum wage is determined.

Aligning the date for minimum wage changes will collectively save affected businesses approximately **$21,000** annually.

The savings are cumulative and are expected to grow every year.

Aligning employer requirements for record-keeping has an estimated first-year total cost savings of **$420,000** for Maritime employers.

Cost and Benefits

- It is estimated the total cost savings to businesses in the first year is $20,800; annual savings post first year are expected to gradually increase over time with inflation.
- The savings will grow due to cumulative impact (year-over-year savings).

The primary benefit is to those businesses employing minimum wage earners and operating in multiple Maritime Provinces.

Alignment of Record Keeping

Summary of Action

- The three Maritime Premiers committed to align record-keeping requirements for employers to make it easier for all businesses, with a special focus on those doing business in more than one province.
- While similar, the three Maritime Provinces have different requirements, causing confusion and frustration both for employees and employers. As well, some requirements are vague; the changes provide greater clarity to employers.
- These changes take effect on January 1, 2017.

Cost and Benefits

- In the first year this change is expected to save businesses 14,000 hours in time spent on employee records. This time is valued at $420,000.
- Savings were estimated for all businesses and organizations in the Maritimes (including non-profit and government) with employees.
- The main benefit (cost savings) of alignment would come from increased clarity and consistency, reducing the amount of time spent on record-keeping.

***Note:** These are estimates only and are an example of the work that will be done for future regulatory proposals through the regulatory assessment and costing tool.

Appendix B: Premiers' Charter of Governing Principles for Regulation

http://novascotia.ca/regulatoryopportunity/premiers-%20charter.asp

CANADA

Design: Creative Services, Communications and Public Engagement
Printing: Document Publishing Centre
2016